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AMERICAN ECONOMICS.

A RADICAL revulsion has occurred in economic discussion in England within twenty-five years. Professor Bonamy Price of the University of Oxford, Professors Fawcett, Henry Dunning MacLeod, Henry Sidgwick, and Leslie Stephen of Cambridge, and W. Stanley Jevons and Professor Cairnes of University College, London, represent fairly the existing condition of political economy in England. While each of these discards different portions of what was once considered orthodox economics, all except Fawcett discard so much that the science is seen to be rent with ghastly fissures, and everywhere the thinness of the crust warns us that the work of creation is still going on. To change the metaphor: what were once supposed to be almost perfected fruits, which needed only the warm sun of public favor and general assent to ripen their juices to sweetness, are now found to be mere puff-balls filled with acrid dust. The works of Malthus, Ricardo, and Mill, now considered as repositories of curious errors, rank with Ptolemy's "Almagest," or Spurzheim's "Phrenology." They are read not so much because they teach us truth, as because they stand as mile-posts which serve to measure the distance by which thought has passed them.

When we now try to place ourselves *en rapport* with Malthus, the disproof of his main proposition is so obvious that the only inquiry we are disposed to make is, whether his idea that man's consuming powers increased faster than his producing powers was suggested by the unusual largeness of his own family, or by the local phenomenon of emigration from England, which was then beginning; or whether he really thought that nature was in some way the provider of a food fund which would not bear a constant ratio to the labor employed. The idea that the food of the human race tends to increase in an arithmetical ratio, or

In an ordinary wheat-field, thickly sown, only one and a half ears grow from one stool. Here is an increase in fecundity from one ear having forty-seven grains (forty-seven fold) to fifty-two ears, carrying (in the best ear) 123 grains, or 6396-fold per annum. Such a hypothetical rate of increase would produce in the second year, from a grain of wheat, 40,908,816 grains, or seventy bushels, supposing the grains to retain only their previous size under improved planting. In fact, however, Major Hallett's processes very largely increased the size of the grain, causing 460,000 grains to make a bushel, instead of 700,000. Adding this quality, the possible productive power of a grain of wheat in two years would be about 130 bushels. Yet Bonamy Price, of Oxford, says*: "What is the essence of this (the Malthusian) theory but the well-known fact that human beings, like all other animals, have a power of multiplying faster than their food." Apply to this statement the fact that in the earlier periods animals constituted almost the whole of human food, and man, as often as he could be killed, became the food of animals; and so this "well-known fact" becomes a statement of three independent laws in economics, viz.:

1. When man eats an animal, that proves that man multiplies faster than animals.
2. When an animal eats man, that proves that animals multiply faster than men.
3. So, between man and animals, each multiplies faster than the other.

Henry C. Carey opened fire on the Malthus assumption, in 1835† to 1838,‡ by asserting that the lower the organization, whether vegetable, animal, or social, the greater the rapidity, certainty, frequency, and fecundity of its power of reproduction, and the greater the ease and economy with which it sustains itself; that in the infancy of society the production of wealth by man is kept down to a degree little above the nakedness of beasts by the constant state of war and insecurity prevailing, the absence of implements and of knowledge of every kind, and especially by that absence of money which leaves slavery the only possible basis of association among men. He did not make the direct comparison above made between the relative fecundity

* "Practical Political Economy," p. 14.

† "Essay on Wages," 1835.

‡ "Principles of Political Economy," 3 vols.

of the unit of population and the unit of subsistence. Nor had he yet reached the conclusion that man, instead of beginning cultivation on best soils, begins on worst soils; but as to every other implement than the soil, he already taught the doctrine of evolution from the lower to the higher and from the less to the more productive. It would have negated the very law of which he was the discoverer if he had used the best arguments first; but he did enough to break the back of the Malthusian theory. He taught then* that, as machinery takes the place of muscle, as iron and steel supersede flint, as coal displaces wood, as steam supersedes sails where sails have displaced canoes, as skins give way before cloths and hand-loom before the power-loom, and as new soils, new implements, and new sciences become available, the means of industriously employing all men's time increases, the product derived from industry increases in a far more rapid ratio than the number employed, and the portion of the product of industry which is awarded to labor increases relatively to the portion won by capital, and man becomes free. This growth of man in freedom was his theme. He supplied Bastiat with all the materials of his "*Harmonies Économiques*," except that pleasing style which is more apt to belong to the borrower than to the inventor. Carey was inductive, Bastiat seductive. Carey was abstract, looking for the law; Bastiat was concrete, looking for the fee. Carey was profound and original, but discursive; he was a traveler with a long stride, who had the devil's own habit of constantly taking you up to the pinnacle of the temple or the top of a high mountain, and there showing you all the kingdoms of earth, as illustrations of his law. Bastiat remained at home, exhibiting to his guests the trophies collected by Carey in his travels; and what Carey had proved by elaborate tables and citations, Bastiat illustrated with anecdote and with all the arts of a consummate wit. In the degree that a man sought to be amused, he would throw up his hat for Bastiat. Hence Bastiat got all the headless hats.

Carey treated political economy not only inductively, but as a science which sought to measure forces and not quantities; the growth of the power of man over things, not the science of the things that burden or condition man. His definitions, there-

* "*Principles of Political Economy*," 1837-40, vol. 2, p. 251.

fore, are all dynamic, not static; they are laws of motion, not equations between commodities. He expects Burnam Wood to come to Dunsinane, because every tree hides a man. He expects mountains to be removed and cast into the sea, because, where mind is, nothing is inert; all lives.

Sir John Herschel, reviewing "*Quetelet on Probabilities*," remarked that, "one great source of error and mistake in political economy consists in regarding its problems as statical rather than dynamical in their character." The statement happily illustrates Sir Henry Bessemer's observation,* that while men versed in an art make the trifling ameliorations in its processes, the great discoveries and inventions more frequently come from persons wholly untrammelled by accurate knowledge of the details. Prof. Henry Dunning MacLeod declares† that in these words Herschel "has exactly described the fundamental defect of the whole Ricardo-Mill system of political economy. . . . Ricardo treats it statically, but Condillac treats it dynamically. . . . No one versed in Natural Philosophy can have a moment's doubt that it (the dynamic system) is the true one." To treat political economy dynamically detracts from its simplicity; for it is the pursuit of varying ratios between perpetually varying forces, always in motion, but with varying degrees of intensity, where the standards of measurement vary almost as rapidly as the ratios. Carey was the first among economists to make use of statical charts to represent the effect of government policies upon all the phases of a nation's progress. These ought, however, to be called dynamic charts; for while each dot in the chart represents the relative status or condition of a given datum in the problem, the movement of the whole line becomes dynamic and measures the force operating. A single chapter in one of his works‡ uses forty-six of these static charts to show by comparison to the eye the relation between the four tariff acts of 1828, '33, '42, and '46, and the attendant increase or decrease in production or circulation of forty-six distinct commodities or modes of service, including points of observation as far apart as the growth of lake tonnage, the consumption of iron and woollens, and the use of all the leading necessities of life, all so arranged as to show that the purchasing power of labor and the freedom

* "*Creators of the Age of Steel*," by W. T. Jeans, p. 34.

† "*Principles of Economical Philosophy*," vol. 1, p. 359.

‡ "*The Harmony of Interests*," 1852, C. 3.

of man, as forces, are intensified with the increase in the societary movement induced by protection, and are relaxed by its withdrawal. As the water that turns the wheel, the wheel itself, and the spirit in the dynamometer which measures the force are all variable forces, and yet the measurement is perfect, so by charts which represent social effects, in connection with their causes, can the exact dynamic vigor of certain policies be measured in their action on society.

Jevons,* alone among Englishmen, in a feeble manner and far to the rearward, attempts to follow Carey in the use of diagrams to represent the relation between economic causes and effects; but the effect he is aiming to illustrate attaches to the metaphysical stage of economics, being merely a statement of the decline in value to a producer of what he produces in excess of his own wants. The metaphysical character of nearly all English political economy since Adam Smith, especially the works of Ricardo, Mill, Senior, Price, Moffat,† and Jevons, consigns them inexorably to that second and transitional stage of thought which marks, says Comte, the passage of society from the military and theological to the industrial and scientific stage, and which proves by its very form that something better in the way of positive science must follow it. They affect to triumph when they analyze metaphysically the emotions which induce trade, as *e. g.* by arguing that because each party to a trade experiences a separate satisfaction, foreign trade should not be restricted. As well argue that because in a war each party fights until he gets all the fighting he wants, therefore there is only beneficence in war.

Carey antagonizes the English school, which was regnant in 1845, but defunct by 1875, in three ways. It was deductive; he is inductive. It was metaphysical; he is historical. It was statical, and studied the individual unit of society as conditioned by the envioning circumstances; he studies the dynamic movement of society as a whole, looking upon man as largely the creator of all his conditions. Bastiat in France, Ferrara in Italy, Dühring of the University of Berlin, comprehended him. The omnivorous Roscher runs over Carey like an industrious ant over the pyramid of Gizeh, carefully noting all exterior ine-

* "Theory of Political Economy," by W. S. Jevons, p. 33.

† "The Economy of Consumption," by Robt. Scott Moffat.

qualities, but mutely powerless to comprehend any one sublime meaning. He cites without disputing Carey's definition of utility as the measure of man's power over nature, and of value as the measure of nature's power over man. He then adds* that Carey very inaccurately views them both as being always in opposite directions. If he had got any correct sense out of the definition, he could no more have said this than he could have branded as inaccurate a statement that attraction and radiation are in opposite directions. When Roscher begins to define value he shows that his stand-point is at once statical, metaphysical, and subjective, by preceding it with the words, "looked at from the point of view of the person who wishes to employ them (goods) either for use or in exchange." Nor does he ever get away from this individual point of view.

Carey, however, being a philosopher of society, in search of laws that measure and forces that govern the aggregate society, and not a mere recorder of the moods and tenses of persons, considers the onward march of the social mass, the flowing river of mankind, and perceives that to the savage nothing has utility. The forests are useless, for he cannot fell or hew the trees for want of the axe, saw, chisel, and auger. Iron is useless, for he cannot distinguish it from the red clay. Glass does not exist. The beasts are all armed, while he is not. Even the mountain goat and the ram master him, and the wild boar is a terror. The apple is not yet a fruit, the potato is poison, maize is an unnoticed weed. Wheat is little more than a grass; but if it were equal to modern wheat, it would still be useless, as he would not know how to grind or cook it. All things are so void of utility that only among the date groves and naturally fruited but torrid plains of Africa could he survive long enough to learn the utilities of anything. But in this wretched nomad state, how are all values magnified! A bead or an inch of cloth is worn around his neck as a charm to keep away evil spirits. A master who will furnish him with daily bread would be hailed with the gratitude due to a descended god. He feels the value even of slavery, and kisses the figurative chains which a later epoch will see upon his limbs. Then begins his slow upward march. With each day he learns some new utility in metal, plant, flower, fruit, and animal. A million things become useful, which either did not exist or were useless.

* "Political Economy," translated by Lawler, vol. 1, p. 62.

After many generations his successor will, perchance, buy a palace with less toil than he would have expended for a bead. In no instance do values increase or utilities lessen with the advance of man toward a higher civilization. The supposed exceptions referred to by Roscher are doubtless those of works of art and *vertu*, cited by Adam Smith, whose fame keeps on growing, as in the case of Angelo's, Raphael's, or Correggio's productions, long after the artist who supplied them is deceased. Even in these cases there is perfect conformity to the inverse form of Carey's law, viz., that as human progress declines and man relapses toward barbarism in some single art, values increase and utilities decline in that art. In the case of these works of art it may be said that, while civilization in many things has advanced, yet in the particular line of creative art, to which these belong, civilization in its pre-occupation with other things has declined, and, simultaneously, the utility of these things has lessened *pari passu* with their increase in value; for, though higher prices are paid, the ratio in which they are useful has declined with the decline of the art which produced them. Compare the decline in value with the increase in utility of the transportation of a representative of savage life and of civilized life from, say, Niagara to the Pacific coast. Black-Hawk would have regarded the journey from Niagara to the Pacific as involving a year's toil and danger, with an even probability that he would lose his life. In cost or value it would be prodigious. In utility it would be *nil*, as he could do no more on the Pacific coast than he could have done at Niagara, viz., hunt, fish, and fight. Vanderbilt, however, could ride through in five days, and a palace car and free transportation would gladly be tendered him, since it would be known that, but for some purpose of large utility, such as the establishment of a new line of Pacific steamers, or the building or purchase of a new railway, he would not make the journey. The cost (value) sinks to the minimum, while the utility rises to the maximum.

Carey's definition of Commerce as the exchange of products between producers, and of Trade as the intermediate agency of the middlemen and transporters, by which this exchange is effected, so that as Commerce increases Trade declines, and as Trade increases Commerce declines,* thus making Trade and Transportation taxes upon Commerce, instead of being Com-

* "Manual of Social Science," condensed by McKean.

merce itself, as they are usually assumed to be, is too bitter a pill for strict free-traders to swallow. Conceiving themselves to be the enemies of all taxes, they cannot endure a definition which converts trade itself into the severest of all taxes.

So Carey's definition of wealth,* as "the power to command the always gratuitous services of the great forces of nature," might as well have been uttered in Greek to a Modoc, as in these terms to a modern Englishman of the metaphysical school. "Ah," he exclaims, "wealth is the means of buying only what comes gratis, is it? Then, for the first time in my life, I don't want it!" Perry† gives us wealth as an indefinable term. True, it is the subject of Political Economy, but no fellow can find out what it means; or whether it is a commodity, and so belonging to the domain of physics; or a mental condition, and so belonging to metaphysics; ‡ or a quality of one thing which is a subjective conception of the mind, or a ratio between two things, § which is an equation in mathematics. Carey's peculiarity of definition comes from the fact that he is defining wealth in the function it performs toward society. Confessedly coal, iron, wood, wheat, and animal life, and whatever else we enjoy, come to society at large as the gratuitous gifts of nature. To the individual who enjoys them, the properties which he enjoys, such as the heat-giving property in coal, the hardness and firmness of iron, the constructibility of wood, the nutrition in wheat and the life-sustaining powers of animal food are all gratis from nature. Man makes no property of matter or force which we enjoy. But nature having affixed impassable limits to each man's power to consume, and not having presented to any man all he needs to consume, the surplus of one man must be forwarded to supply the deficiency of another; and every article takes on value in a fluctuating degree, varying with every moment of time and every league of space by which it is forwarded from the point where it is in surplus to the point where it is in demand, if it requires merely change of place to adapt it to demand; and varying with every process in the change of form, if it requires change of form, and with every change of ownership, if that be what it needs, and with every combination of these three changes, if it needs

* "The Unity of Law," p. 6.

† "Political Economy," preface 8.

‡ Price, "Practical Political Economy," 361.

§ MacLeod, "Political Phil."

them all to bring it to the consumer in a form fit for his use. Wealth, therefore, is that power in me, howsoever and wherever obtained, which gives me command, through the services of my fellow-men, of all these gifts or services which nature brought gratuitously to some member of society, but only through his toil and that of others to me. Exchangeability does not constitute it, for many of the highest elements of wealth, such as intellectual and social power, character, religious belief and influence, courage, sagacity, rank, titles, fame, are not exchangeable, yet give great power over the services of others. Moreover, in a complete slave system or in a complete military, feudal, or communal system, there might conceivably be great wealth in the hands of those who controlled the system, and yet no exchanges whatever; and in the estimation of some dreamers, like Fourier, sustained in part, however, by the communal system in vogue in the petty states of Greece, there might even be very little private property. Subordination and coercion would perform the functions which in a trading system are performed by exchange. Carey, therefore, in defining wealth, points out as clearly as language will permit the element in it which is eternal. MacLeod, Bastiat, and Perry, in seizing upon exchangeability, grasp that which is both partial and evanescent.

In Political Economy, when pursued deductively, the definitions are pregnant with all the ultimate theories and conclusions. One who defines Political Economy as a Science of Exchanges cannot but reach opposite conclusions to those attained by one who defines transportation and trade as taxes upon commerce.

Carey found rent defined as a payment for area of soil, because of its fertility. He left it defined as a payment for space, because of its nearness to the societary movement.*

* In 1836, in a book printed, but never published, entitled "The Harmony of Nature," of which a copy lies before me, Mr. Carey states the true doctrine of rent thus: "These rents diminish in amount as the lots are distant from the center of attraction, the place of exchange. Why should a lot opposite the market sell for fifty times as much as an acre of land distant not one mile from the spot? Why should it sell for ten times as much as another lot of similar dimensions distant not more than three hundred yards? The answer to these questions is, that owing to the great number of people who frequent the market, and the large amount of merchandise brought there to be exchanged for other articles required by the farmer, the amount of business that can be done in the one place is vastly greater than in the other, that

Ricardo, Malthus, and Mill, in defining it as a monopoly price paid for fertility, which was assumed to be the chief natural and indestructible power of the soil, had made it a form of legalized rapine, and thus had laid the foundation for the modern French, German, and American socialists of the school of Karl Marx and Henry George, to preach the new crusade against landlords as the broad macadamized road to happy and cheap homes. Carey identified rent with that principle of human nature which would cause a window on Broadway to rent perchance for \$5.00 an hour while a pageant is passing. It is a payment for space, which is competed for actively by reason of its nearness to the societary movement. If poor land has this advantage it will be so tilled as to make it fertile. Rich land, without it, will be drained of its fertility. As MacLeod well says, "the only original and indestructible power the earth has is that of extent." Fertility is as variable a property in soils as health is in man. Soils in England which once produced five bushels of wheat per acre now produce fifty-five. Those in Indiana which once produced thirty bushels now produce seven. Yet a whole generation talked of rent as a payment for fertility, and of fertility as an inherent and indestructible property. Rent is a payment for productive space, as wages is a payment for productive time. Rent is the centrifugal force which disperses men from the centers toward which commerce and exchange attract them. As men go from the centers they save rent but lose and incur transportation. As men draw near the centers they save time and transportation, but increase rent. Rent, therefore, is just as beneficent a force in economics as is wages or commerce, for it is as essential to disperse as to attract mankind. Mill, Sedgwick, and especially MacLeod and Devas,† though reluctantly, recognize Carey as the Hercules who slew the English monopoly doctrine of rent. Francis A. Walker‡ ingeniously avoids giving Carey this credit by so restating the doctrine of Ricardo, that rent rises with the productiveness of the soil, as to incorporate into it the doctrine of

ten times as much may be done as in another place distant three hundred yards, and fifty times as much as in another a mile distant; or, in other words, because a capital so much larger can be used at the same rate of profit as will enable the occupant first, to pay himself for his services, secondly, to pay himself for the capital employed at the usual rate of profit, and, third, to have a surplus for his landlord, termed rent.

† "Groundwork of Economics," § 42.

‡ "Land and its Rent."

Carey, viz., that rent rises with the productiveness of the capital employed in the use of the soil, and makes this productiveness turn upon the nearness of the soil to the markets of consumption of its products, which is part of Carey's definition. This is like incorporating into Judaism all that is Christian and then asking for a verdict as between this reconstructed Judaism and Christianity!

The first work written by Mr. Carey* was an attempt to overthrow the Ricardo theory, that as wages rise profits must fall, and to prove instead that as profits rise wages rise. The previous theory made enterprise depend upon slavery, the true source of the profits of the capitalist being the spoliation of the wages worker. It is singular that the English should not have perceived what a club this error would place in the hands of socialism, with which to beat out the brains of both the economist and the *bourgeoisie*. The peace of society is now endangered in Europe and America by this infamous relic of Ricardo's abnormal and ingenious ignorance. Carey showed that in all nations where profits are high, wages go up, for the enterpriser competes actively for the hire of labor in the degree that he is attracted by the prospect of profits. In a later work† he politely attributed to Cobden the remark that freedom grows where two employers are seeking to profit by the labor of one workman, and that slavery grows where two workmen are seeking bread at the hands of one employer. If Cobden ever said this, which I doubt, as I fail to find it in his speeches, he must have derived it from Carey's previous works, including the "Essay on Wages" and the "Principles."

As respects money, Carey was the first to teach that the chief utility of a coin currency is attained only in the degree that coin becomes the basis of that very credit currency which supersedes the use of coin.‡ The beneficent power of coin, like that of government, would be most felt when it was most invisible. In this general attitude he is followed by the two ablest writers on modern English monetary finance, MacLeod§ and Patterson.|| Indeed, these two writers most nearly approach Mr. Carey in

* "Essay on the Rate of Wages," 1835.

† "The Slave Trade, Domestic and Foreign," p. 294, 1853.

‡ "Social Science," by McKeon, 293 to 310.

§ "Theory and Practice of Banking," 1855.

|| "The Science of Finance," by R. H. Patterson, 1867. "The Economy of Capital," 1865.

vigor of economic insight and familiarity with the facts of practical finance. In the quality of philosophic generalization, he stands apart from other economists, like Mt. Blanc from other summits, and his true altitude will be ascertainable only when economics take on the character of a science. At present no two economists in England or America can give the same definition to wealth, value, labor, utility, profit, rent, interest, capital, money, land, production, trade, distribution, exchange, consumption, taxation, banks, credit, currency, commerce, wages, or to Political Economy or Economics itself. The difference is not one of words but of things. Each of these words connotes as many distinct and unlike intellectual conceptions as there are men to use them.

Take the term labor. If a man carries mortar from the street to the roof of a building in a hod, that is labor, if he is free and works for wages. If he brings a horse, rope, and pulley and lifts the mortar by horse-power, charging for the hire of the horse, is his charge profits, interest, or wages? If he is dispensed with, and a machine raises it, then is not capital laboring? and when capital works, why is not interest wages? But if capital can labor, as in machinery it does, then capital is only one among many laborers. And when labor is owned, as in the case of slaves, is it capital or labor? And if labor is capital when it works for a subsistence, wherein is its nature changed when it merely works for wages, which are exhausted in subsisting the laborer? McCulloch says the fermentation of wine or beer is labor.*

Every economic term eludes metaphysical analysis; but so does every scientific term. Matter becomes force, and force becomes matter, under metaphysical analysis, as readily as labor and capital pass into each other. This only proves that the metaphysical method, banished from the other departments of science, and taking refuge in Social Science, must be expelled. But in England the metaphysical method, except in part in the work of Adam Smith, is the only method known. Yet even by this method Social Science discovers that the most valuable thing it knows is that it knows nothing. Its cry is, "Lord, have mercy upon me, a sinner."† Fifty years ago it was

* McCulloch's note 1 to Adam Smith.

† Jevons says: "When at length a true system of Economics comes to be established, it will be seen that that able but wrong-headed man, David Ricardo, shunted the car of economic science on to a wrong line, a line, how-

supposed that the doctrine of *laissez faire*, or that the state should in no way intermeddle to protect the industries in which it was a silent partner, was firmly established. It would not, in 1846, protect Irish grain in English markets against foreign competition, but now it steps in and utterly abrogates freedom of contract by denying to the Irish landlord the power to rent

ever, on which it was further urged toward confusion by his equally able and wrong-headed admirer, John Stuart Mill. . . . It will be a work of labor to pick up the fragments of a shattered science and to start anew, but it is a work from which they must not shrink who wish to see any advance of economic science." "The Theory of Practical Political Economy," Preface 1, vii.

Bonamy Price says: "It is the authority of economical writers which is declining. This diminished weight is the result of their mode of treating the problems of the living world, with which Political Economy deals. Men take a shorter and a far clearer path through their own observations than through the tangled jungle of scientific refinements." "Practical Political Economy," page 7.

Mr. C. S. Devas, an apostle of the Catholic ethics of Sismondi, in a work full of learning and acuteness, says: "It is time that something was done in England either to restore the declining credit of what is known as Political Economy, or to replace that enfeebled body of doctrine by a worthier successor. Our grandfathers exulted in Political Economy as a grand and beneficent science, not the least among the glories of their age; our fathers respected it; and little more than twenty years ago it successfully withstood all the sharpness of Mr. Ruskin's reasoning and railery. But times have changed. There are men of intelligence who are beginning to suspect that much of this science is but a collection partly of useless discussions and idle declamation, partly of truisms, partly of untruths; while the anarchy among recent economists on the very foundations and first principles of their science, as any one may see in Mr. Dillon's recent work on the *Dismal Science*, is a matter not of suspicion but of certainty." "Groundwork of Economics."

Henry Dunning McLeod, discussing the Ricardo-Mill theory, that labor causes value, says: "Surely we have had enough of this Bedlamite rubbish, and it may be asked why do we load our pages with it? Simply for this reason, that this idiotic stuff is the official Political Economy in England at the present day! This is what the candidates for the civil service of India are told to believe in as the perfection of human wisdom, and which is still taught and recommended in our Universities! *Proh Pudor!*" "Principles Econ. Phil." I., 653.

Even upon the question of Protection, English Political Economy is breaking up. A recent thoughtful and elaborate work ("Economy of Consumption," by Robert Scott Moffat, p. 346) says: "This tendency toward Protection is, as I have said, natural; and it is fully justified by the strictest economical reasoning. The fanatical intolerance with which it is often assailed in this country is the result simply of ignorance and the prejudices bred by self-interest. The aim of the policy is manifestly a legitimate one.

his land where he can rent it dearest. Professor Jevons says: † "I conceive that the state is justified in passing any law, or even in doing any single act which, without ulterior consequences, adds to the sum total of human happiness." Says the Duke of Argyle: ‡ "During the present century two great discoveries have been made in the science of government; the one is the immense advantages of abolishing restrictions upon trade; the other is the absolute necessity of imposing restrictions upon labor." As if labor were not a form of trade, and all trade a species of labor. The Duke of Argyle forgets that the discoveries in government are four, not two. The other two were the discoveries made by mothers, first, that their daughters ought all to be taught to swim; secondly, that they should on no account go near the water. The latter is exactly on a par with the notion that it can be an economic doctrine that the worker in trading in his work, or in that which his work produces, shall not be free; but that the trader, in trading in the product of another's work, shall be free.

It is, however, in the domain of prophecy that the English school is most conspicuous in failure. Said Cobden, at Manchester, on January 15, 1846: "I believe that if you abolish the corn law honestly and adopt Free Trade in its simplicity, there will not be a tariff in Europe that will not be changed in less than five years to follow your example." Concerning agriculture, he audaciously promised that the future historian would

It has already been shown that a home organization is, in the strictest sense, the most economical; and there can be no doubt that, when a new country has raised its manufactures to an equality in efficiency with those of older countries, it will gain greatly by exchanging its agricultural products against its own manufactures instead of sending them abroad. The whole question, then, is one of method; and the arguments which those who call themselves free-traders direct against this form of protection relate exclusively to the process it entails. Now, it is impossible for an unorganized industry, at any point of its progress, to attack an organized one without entailing loss and submitting to temporary disadvantage; and if immediate advantage alone is to be consulted, the industry of such a country must remain forever unorganized."

But one English economic work of recent date has the merit of dealing in facts. This is "Trade Population and Food," by S. Bourne. Though it strives to appear to endorse accepted theories, it radically overturns them. Pp. 248-9.

† "The State in relation to labor," p. 12.

‡ "Reign of Law," p. 334-35.

say that "It was not until the corn law was utterly abolished that agriculture sprang up to the full vigor of existence in England, to become, like her manufactures, unrivaled in the world." Immediately after these utterances, Ireland, which, with all the evils of absentee landlordism upon her, had doubled her population in the twenty-five years between 1785 and 1810, now tumbled in gaunt famine, from 8,000,000 down to 4,500,000 population within ten years. Within twenty years past the number of persons tilling British soil has shrunk from 2,110,454 by 727,270, a loss of one-third in twenty years. Nor did the people get that cheap bread which was the essence of the Cobden promise. The average price of wheat per quarter for the five years preceding 1846 was 54s. 11½d. In 1846 it was 54s. 8d. For the eleven years following 1846 the average price was 55s. 11½d.* There is no possibility of a cheaper loaf in the later figures. But 1,300,000 acres have gone out of grain and tillage in Ireland, and quite as much has passed from pasture into moor. The whole landlord clan are on their knees to the Government, begging it to buy them out, to save them from bankruptcy. A million acres have gone out of wheat in England.

It has become apparent that the continued maintenance of prosperity consistently with Free Trade involves as its logical means the unflinching march forward in the conquest by British arms of Africa and the entire Mohammedan world and ultimately of China and Japan. This was not the kind of picnic to which Gladstone thought he had invited England, when as a junior member in Peel's cabinet he assisted at the stoning of the corn laws. Aggressive Free Trade has worked all the better soils—Ireland, India, Turkey, Egypt, and Spain—till they resent its spade with famine. The Colonies resist it with Protection. China, India, and Japan resist it with the sullen inertia of numbers. The naked Africans are a barren soil, and the aged Premier shrinks from the career of unending foreign war to which forty years ago he cheerily invited England. During all that period he has been doctoring Ireland on the theory that she was to be let alone as to her industries, but was to be steadily tortured for her lack of industries and the resultant crime and decay.

* "Bradstreet's," April 5, 1884. See, also, "Encyclopedia Britannica," Corn Trade.

Meanwhile the greatest of all works in positive social science is the United States census. Ten years after us Great Britain, and later other nations have followed us in census work. From these various sources it now appears that a full third of all the annual increase in wealth now going on in the world is occurring in the United States.* It is to the American people, therefore, that English, French, and Germans must come for their Political Economy, for the reason that as we are here producing the article of wealth on a far larger scale than it is elsewhere being produced, we are arriving at that economy and wisdom of method which are always proportioned to dimensions in production.

Mr. Carey's nine works and fifty-seven pamphlets, occupying 3000 pages, are the most potential force contributed toward economic science since Adam Smith. They have been the mine which later authors, French, German, English, and American have worked when they wanted to be original.† Translated into eleven languages, they span the earth and instruct the world. The mode of economic emancipation which he outlined in 1838, and which it was the object of his "Principles of Political Economy" to recommend, was rejected by his own country in favor of emancipation by sentimental hysterics, at a cost of 1,000,000 lives and \$9,000,000,000. We preferred popular convulsions to economic prudence. Russia, however, not merely studied his works but adopted his methods of emancipation, freeing 23,000,000 of serfs without the shedding of a drop of blood or the falling of a tear of sorrow. Japan and China, Austria-Hungary, Italy and Germany, as well as France and England's colonies, have profited by our export of American

* Mulhall says of us: "Every day that the sun rises upon the American people it sees an addition of two and a half millions of dollars to the accumulated wealth of the Republic, which is equal to one-third of the daily accumulations of mankind. These are as follows, viz:

United States	\$825,000,000	per annum.
France.....	375,000,000	" "
Great Britain	325,000,000	" "
Germany.....	200,000,000	" "
Other countries	725,000,000	" "

† Lester F. Ward, however, in his "Dynamic Sociology," has contributed a work of great though uneven value not open to this criticism. Francis A. Walker's writings are judicious merely, not creative.

Political Economy. Recently an attempt was made to compile an American Cyclopaedia of Political Economy without any mention of Carey, and to consist largely of European articles. When the book appeared it was discovered that each of the European articles was freighted with his views and redolent of his name.

“For, lo! Ben Adhem’s name led all the rest.”

America has much in National Economy to learn, though more from the statesmen and practical legislators of Europe than from England’s closet theorists or cotton-spinning plutocrats. Even now the United States are bringing upon the world a severe monetary stringency, and greatly enhancing the purchasing power, while destroying the productive power, of money by the payment of our national debt. Now, to extinguish a national debt is to contract the world’s circulating medium. Yesterday, two factors were circulating, either of which would have been equally available as means of payment for goods, stocks, or land. One was the national bond, the other the gold which paid the bond. To-day, the bond being paid and burned, there is but one. Hence, the gold which has swallowed the bond has increased in purchasing power, at the expense of goods, stocks, land, and the people. The zeal of our patriotism is eating us up. It is not the burden of taxation attending the payment of a national debt which renders it destructive of industries; it is the fall in all commodities, due to the enhanced power of coin, which, in turn, is due to the elimination from the world’s currency of half a million dollars per day of highly transferable credit. Yet, with all our mistakes we do some good things in a wise way. We prove that while the *vox populi* is not always wise, yet neither is the highest wisdom associated, as Aristotle and the Greeks thought, with the greatest leisure. Our busiest men reflect with most truth, and perceive most accurately. Those who have done most to make our social and financial world what it is, ever continue to be those most competent and best disposed to make it what it ought to be.

VAN BUREN DENSLOW.